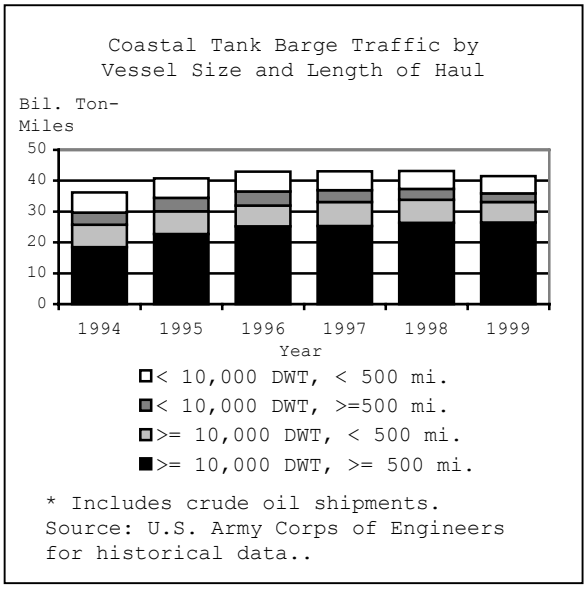
Highlights, Coastal Tank Barge Market
May 2001

As of year-end 2000, there were 669 coastal tank barges with a total DWT capacity of 3.5 million DWT available for operation in U.S. coastal trades. Of these, 240 (2.4 million DWT) were Coast Guard certified to carry petroleum products.[1] Fifty-two of the certified barges (0.6 million DWT) were equipped with double hulls.



- As of year-end 2000, there were 105 large tank barges (10,000+ DWT) with a total capacity of 1.8 million DWT available for operation in U.S. coastal trades.
- Of these, 28 were equipped with double hulls.
- Large tank barges compete with product tankers primarily in 500-1,500 mile coastal trades, but also redistribute pipeline and import shipments in less than 500 mile trades.
- 103 of the large tank barges were Coast Guard certified to carry petroleum.

[1] In 1999, petroleum products accounted for 85 percent of coastal tank barge traffic (ton-miles). Fleet and traffic figures exclude six 45,000 DWT, 14-knot ITBs which are categorized as tankers by the Coast Guard and Corps of Engineers.

U.S. Domestic Tank Barge Trades, 1999

Trade/ Barge Size	Mil. Tons	Bil. Ton-miles	Avg. Mi.
U.S. Gulf & Atlantic			
>= 10,000 DWT	62.4	30.3	486
< 10,000 DWT	47.4	5.7	121
Total	109.7	36.1	329
U.S. West Coast			
>= 10,000 DWT	3.9	2.0	515
< 10,000 DWT	14.9	2.6	177
Total	18.8	4.6	247
Total			
>= 10,000 DWT	66.4	33.2	499
< 10,000 DWT	62.3	8.4	132
Total	128.7	41.5	322

* Includes crude oil shipments.
Source: U.S. Army Corps of Engineers.

- In 1999, U.S. coastal tank barge traffic amounted to about 41.5 billion ton-miles.
- Large tank barges accounted for 80% of this traffic.
- U.S. Gulf and Atlantic trades accounted for about 87 percent of the domestic demand for coastal tank barges, with intra West coast trades accounting for the balance.

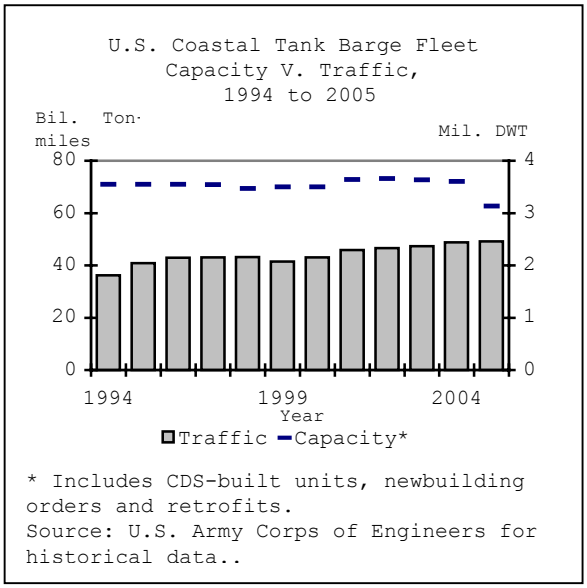
Demand, Traffic

- Coastal tank barge traffic increased by 2.8 percent from 1994 to 1998, due largely to the substitution of large tank barges (100,00+ DWT) for product tankers in the 500+ mile coastal petroleum products trade.
- Average shipment miles increased by 3 percent per year over the same time period.

Seasonal Factors

- Coastal tank barge traffic is moderately seasonal, with summer shipments 7 percent above average and fall shipments 5 percent below average.
- This reflects heavy involvement of tank barges in shorthaul (less than 500 miles) transportation of finished gasoline.

Fleet Capacity and Trades



* Includes CDS-built units, newbuilding orders and retrofits.
Source: U.S. Army Corps of Engineers for historical data..

- Overall coastal tank barge fleet capacity declined by 0.2% per year over the period 1994-2000.
- Large tank barge fleet increased by 1.2% per year.
- The rest of the fleet declined by 1.5%, which can be attributed to three factors:
    - Industry Consolidation
    - Aging of the Fleet
    - Productivity Increases

The market for coastal tank barge services can be divided into two broad segments: short-haul trades (< 500 miles), in which tank barge services complement tanker and pipeline services; and 500+ mile trades in which tank barge services substitute for tanker services. In 1999, long-haul ton-miles were about 3.5 times short-haul ton-miles. Over the last five years, shorthaul ton-miles declined by 2.2 percent per year while long-haul ton-miles increased by 5.4 percent per year. Coastal tank barge traffic (ton-miles) will grow at 2-3 percent per year over the next five years, reflecting fleet productivity increases, and the substitution of large tank barges (10,000+ DWT) for product tankers in the 500+ mile coastal petroleum products trades.